

solve the problem. Many families are still facing an IRS bent on collecting liabilities owed now, despite the fact that those liabilities would be offset by credits in the near future. This means that the IRS was—and could, in the future—be working to seize assets such as family homes to satisfy present tax liabilities that would be eliminated within the next few years under current law.

One Iowa family caught in this AMT trap is the Speltz family of Ely, IA, near Cedar Rapids. Ron and June Speltz found themselves in the crosshairs of the IRS after Ron used stock options to purchase several shares of stock of his employer. I ask unanimous consent that an editorial printed in the Des Moines Register on July 24, 2006, that describes the Speltz family ordeal be printed in the RECORD.

There being no objection, the material was I ordered to be printed in the RECORD, as follows:

[From the DesMoinesRegister.com, July 24, 2006]

CONGRESS SHOULD FIX UNFAIR TAX QUIRK
(By the Register Editorial Board)

The U.S. government has ruined the financial lives of Ron and June Speltz of Ely.

Here's how it happened: In 1992, Ron took a job with McLeodUSA, then a small telecommunications start-up. Compensation included stock options, which he saved for a family nest egg. In 2000, he and June consulted a financial adviser on the best way to cash out the stock. The adviser told them to exercise the stock options and hold the stock for a year to take advantage of low tax rates on capital gains.

Then the stock price fell. What was once worth about \$700,000 became worth about \$2,000. Yet, they owed more than \$250,000 in state and federal taxes due to a quirk in the Alternative Minimum Tax law that targets Incentive Stock Options (ISO-AMT).

When we wrote about the Speltzes and other Iowans in similar straits earlier this year, we received a few letters to the editor stating it was their greed and desire to avoid paying taxes that landed them in such a predicament.

Yes, they tried to take full advantage of tax law. Who doesn't? But at the end of the day, Americans should not have to pay taxes on money they never collected. It amounts to the U.S. government taking money from people it shouldn't be entitled to. It's hard to believe Congress intended such consequences for people whose employers, like McLeod, go bankrupt.

It's devastating families and driving them into bankruptcy, too. The Speltzes have had to borrow money from banks and family members to try to pay the tax. They have lost everything they had saved for retirement and their children.

But perhaps the greatest tragedy is that they have taken every possible step to get the government to respond to their case. And they're still waiting for help.

They've traveled to congressional hearings in Washington, repeatedly contacted members of the Iowa delegation, and gone round and round with the Internal Revenue Service. They even took their case to the 8th Circuit Court of Appeals, which on July 14 affirmed a judgment from the United States Tax Court that the Speltzes owe the tax.

"This is one more time that our court system has placed the issue in the hands of Congress," Ron wrote in an e-mail to the Register. "We are in desperate need" of Congress' help.

Here's a glimmer of hope: When we checked with Sen. Charles Grassley's office last week, his aide, Jill Kozeny, said the senator was "working to get included some ISO-AMT relief for middle-income taxpayers" in what's called the "extenders" tax bill being negotiated in a conference committee.

"Obviously this is the biggest thing that's happened in five years," said the Speltzes' pro-bono attorney, Tim Carlson. He hopes it provides relief to the thousands of Americans, including scores of Iowans who worked for McLeod, who have been adversely affected by this quirk in tax law.

We hope so, too. The senator is the Speltzes' last hope.

Mr. GRASSLEY. Mr. President, despite the previous stock option alternative in minimum tax relief enacted earlier, the IRS is still after the Speltz family. In fact, this past June, Ron and June received a notice from the IRS announcing their intent to levy certain assets. After stating that the IRS intends to levy any State tax refunds, the notice continued: "In addition, we will begin to search for other assets we may levy."

I think anyone would be terrified to receive something such as this in the mail, especially when the outstanding liability derives from income never actually realized, and Congress has already decided that it shouldn't happen.

In July, I sent a letter with 26 of my colleagues in the Senate and the House to IRS Commissioner Shulman asking that he use the discretion provided to him by effective tax administration to suspend collection efforts to collect incentive stock option alternative minimum tax liabilities in order to give us a chance to fix this problem once and for all. Commissioner Shulman gave us that chance by agreeing that the IRS would not undertake any collection enforcement action through the end of the fiscal year. The end of the fiscal year is next Tuesday.

If the House does not stop playing politics with the taxpayers and instead pass the Senate extenders package that we passed with only two dissenting votes, Commissioner Shulman promises in his letter that "the IRS will then continue to administer programs in accordance with current law." That means the Speltzes and probably a lot of other people spread around Iowa, California, and other places where high-tech was a big thing in the 1990s, their assets will be needlessly seized from them if we do not fix this problem.

This is not a political issue either. The original legislation to fix this problem was introduced in the Senate by Senator KERRY, and in the House by Congressman CHRIS VAN HOLLEN. Both bills were cosponsored by Members of both parties. Even the National Taxpayer Advocate, in her Fiscal Year 2009 Objectives Report, agreed that this problem demanded immediate action.

Commissioner Shulman has given us the window we need to prevent additional taxpayers from being crushed in the grip of incentive stock option AMT liability. Any delay in enacting the Senate-passed legislation is to aid and

abet the seizure of the Speltz family's assets and those of many other families.

According to the latest Small Business Administration report, issued in December 2007, all net new private sector jobs in 2006 were created by small businesses. According to the National Federation of Independent Business, almost half of those job-creating businesses are owned by taxpayers who are targeted with a marginal rate increase of 17 percent to 33 percent. Since these small businesses are likely to create or retain new jobs, maybe we could get a bipartisan agreement not to raise their taxes on small business.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

The senior Senator from Oklahoma is recognized for 10 minutes.

OIL SHALES

Mr. INHOFE. Mr. President, the discussion is on the serious problem this country is facing. While I take a position against the administration's program, I know they are behind closed doors with the leadership on both sides, both Houses, trying to come up with something that is workable.

I suggest what we are going to vote on, scheduled for 11:30 a.m., which I think will be a little later than that, does not have a solution. One of the points I want to make sure everyone knows is that in this legislation is the extension of the moratorium on oil shale.

The Consolidated Appropriations Act of 2007 established a 1-year moratorium on the necessary funding to complete the final regulations for commercial leasing of oil shale on public lands. Without congressional action, the moratorium will expire. The stimulus bill that we will be voting on shortly after 11:30 will continue this moratorium for another year.

This is serious. The Senate has debated energy legislation for weeks, and the extension of this moratorium does nothing to address increasing domestic energy supply.

The potential energy development from the Rocky Mountain oil shale is truly massive. The Green River Formation located within Colorado, Wyoming, and Utah contains the equivalent of 6 trillion barrels of oil. Of this 6 trillion, the RAND Corporation estimates there are 1.1 trillion recoverable barrels. That equals more than 2,000 years' worth of imports from Saudi Arabia, or 145 years of domestic supply at current rates of oil consumption. These numbers would nearly double assuming the Department of Energy's estimate of nearly 2 trillion potentially recoverable barrels. What we are talking about is huge.

The RAND Corporation projects that within the first 12 years of commercial production, these barrels would be recoverable at prices as low as \$35 to \$48 per barrel.

There are problems out there. We have been arguing on the floor of the Senate, and the Democrats refuse to increase the supply or vote for any increase in oil or gas in America.

We have the Outer Continental Shelf discussion that is going on. This bill doesn't affect that. However, since 1982, Democrats and the environmental left have blocked access to 85 percent of America's Outer Continental Shelf resources. With this year's record-high gas prices, Americans have demanded that the Democrats in Congress allow us to produce from our own resources. With just 6 weeks until election day, Democrats have finally relented.

We held a news conference yesterday. We all celebrated the fact that we are going to allow these two moratoria to expire. This bill will stop the expiration of the moratorium on oil shale.

The Interior Department estimates that the Outer Continental Shelf contains 19 billion barrels of undiscovered recoverable oil. That equals 35 years of imports from Saudi Arabia.

We can see that while the Outer Continental Shelf is great, we want to remove that moratorium. It is even much more important we do it with oil shale because of the sheer size. As I say, the vote doesn't affect the Outer Continental Shelf, but it does affect oil shale.

Americans spent more than \$327 billion to import oil in 2007. These oil imports accounted for 46 percent of the Nation's \$711 billion trade deficit last year. By opening the Outer Continental Shelf and the oil shale, America can cut that trade deficit in half.

Assuming a \$130 price per barrel of oil, America will trade more than \$135 billion to Saudi Arabia and Venezuela for oil imports this year.

Outer Continental Shelf and oil shale production can stop this transfer of oil and keep hundreds of billions of dollars at home within our economy creating jobs at home, not overseas.

America is not running out of oil and gas or running out of places to look for oil and gas. America is running out of places where the Democrats in Congress are allowing us to look for oil and gas.

We had a great celebration on Wednesday that the moratoria would be lifted in both areas. This bill would extend the moratorium on shale, the largest opportunity we have and potential we have for reserves and for lowering the price of gas at the pump that we will be dealing with this year.

I yield the floor.

The ACTING PRESIDENT pro tempore. The senior Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, before I speak, I ask unanimous consent that following my remarks on the Democratic side, Senator BAUCUS be allowed to speak, and following Senator BAUCUS, Senator BYRD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STIMULUS BILL

Mrs. MURRAY. Mr. President, as all of us are aware, J.P. Morgan has agreed to buy Washington Mutual, which is based in my home State of Washington. I have been in touch with J.P. Morgan and with WaMu about their plans, and I have been assured that the transition will go smoothly and that Washington Mutual's banking customers will not see any interruption in service. And that is good news.

It is, of course, still too early to know the impact of the failure of WaMu, the Nation's largest thrift, will have on local jobs, but it is further evidence to me that the economic crisis has spilled over into our communities.

I am very saddened that it is having an impact on families and our economy, and yet it is another sign that we must find a bipartisan solution now.

We are working together quickly to reach an agreement. We have rejected the President's \$700 billion blank check because it did not ensure oversight or protection for our taxpayers. But Democrats and Republicans in the Senate are working with the House Democrats, the Treasury, and the Fed to come up with a solution that keeps this crisis from hitting more communities. We are hopeful that the House Republicans will come to the table and work with us on a solution that protects American taxpayers.

As we do this, I firmly believe we must also offer the American people a hand and help get our economy going in communities across this country.

We now have an opportunity today to help millions of struggling families who are grasping for a lifeline as this economy sustains blow after blow. Long before this economic crisis rippled across our financial system, middle-class families were already reeling under the impact of failed policies that were implemented by President Bush and backed by JOHN MCCAIN, and it is critical that we act now to help those families, those small businesses, State and local governments get back on their feet. The bill I am hoping we will vote on shortly will do just that.

This bill brings security to seniors who are facing a stack of medical bills they cannot afford to pay and offers help to families who have seen the value of their homes drop below the amount they owe. It ensures that the most vulnerable Americans can continue to put food on their table and keep a roof over their heads. It creates jobs at a time when billions of workers have been laid off and billions more are worried that their job is going to be next.

The Bush-McCain economic philosophy of "hands off" has done its damage. It is time that we now put the interests of the American people first again.

This bill I hope we will vote on shortly will do just that. I wish to take a few minutes this morning to underscore the importance of what that bill will do.

First of all, dropping home values and dwindling business revenues have put our State governments under extraordinary financial stress at a time when they can least afford it. As a result of the White House's failed policies, Republican and Democratic Governors across the country are now facing drastic cuts in services from health care to education to law enforcement, and they are looking and asking for relief from Washington.

Already, State-supported health clinics and hospitals are closing, schools are pushing more and more students on fewer teachers, and fully trained police officers are being asked to hand in their badges because their departments can no longer afford to keep them on the beat.

This bill will allocate about \$20 billion to help our States continue to provide the services on which our citizens depend.

Next, this package puts workers on the job immediately by providing \$8 billion for highway projects in every one of our States. As chairman of the Appropriations Subcommittee on Transportation, Housing and Urban Development, I have been watching with dismay as the construction sector of our economy has endured hundreds of thousands of layoffs over the last several months.

Construction jobs play a critical role in our economy. They provide a living wage that enables those families to keep food on their tables. But the construction industry is now facing its highest unemployment rate in 13 years.

A couple of months ago, an estimated 783,000 jobless laborers, carpenters, plumbers, pipefitters, and other tradesmen were looking for work wherever they could find it. With that in mind and watching that happen, I helped to work to craft a transportation and housing infrastructure package that is in this bill that addresses our most critical needs.

It requires that we spend the money fast so that we will see an immediate impact on our economy in every one of our communities. Every State across this Nation has a highway, transit, or airport maintenance project that is ready to go to construction, but they lack the money to buy the rebar or purchase the timber or order the concrete or even pay the workers.

This bill we will be considering will allow those projects to get up and running right now when we desperately need those jobs. This funding will create more than 278,000 family-wage jobs in a sector that has taken it on the chin over the last year, and it does it fairly and it does it responsibly.

This bill requires those highway dollars be spent according to the formula that was established in our SAFETEA-LU highway law. There are no earmarks, no special projects. States have to use these dollars within 90 days.

Now, all of us have heard about the increasing demand for public transportation as gas prices have gone through